

TO: Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
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In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court _____ **Northern District of Ohio** _____ on the following

☐ Trademarks or ☒ Patents. (☐ the patent action involves 35 U.S.C. § 292.);

DOCKET NO. SEE ATTACHED	DATE FILED	U.S. DISTRICT COURT Northern District of Ohio
PLAINTIFF		DEFENDANT
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 5,946,611		
2 6,324,404		
3 6,847,822		
4 7,289,763		
5		

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
2		
3		
4		
5		

In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT SEE ATTACHED FOR PATENT CASE TERMINATION INFORMATION

CLERK Geri M. Smith	(BY) DEPUTY CLERK Carlene Kinsey	DATE 3/29/2011
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Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
 Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

EMSAT ADVANCED,)	CASE NO. 4:08cv00817
GEO-LOCATION TECHNOLOGY, LLC)	
LOCATION BASED SERVICES, LLC,)	
)	
Plaintiffs,)	JUDGE JOHN R. ADAMS
)	
-vs-)	
T-MOBILE USA, INC.,)	<u>MEMORANDUM OF OPINION</u>
)	<u>AND ORDER</u>
Defendant.)	

This matter is before the Court on Defendant T-Mobile USA's Motion to Stay Proceedings Pending Reexamination of the Patents-in-suit (Doc. 164). Further, Defendant has recently moved for leave to file a supplemental reply to Plaintiffs' Opposition to its motion to stay (Doc. 181). For the reasons set forth herein, Defendant's motions are GRANTED.

I. Background

The complaint in this matter was filed on March 31, 2008. Plaintiffs allege that Defendant unlawfully infringed upon patents relating to technology allowing for location of a particular cellular telephone for purposes of providing cellular network services, including emergency services. Plaintiffs allege that Defendant infringed four U.S. patents: U.S. Patent No. 5,946,611 issued August 31, 1999 (the '611 patent); U.S. Patent No. 6,324,404 issued November 27, 2001 (the '404 patent); U.S. Patent No. 6,847,822 issued January 25, 2005 (the '822 patent); and U.S. Patent No. 7,289,763 issued October

30, 2007 (the '763 patent). The parties submitted briefs and proposed constructions regarding various disputed claim terms. On May 10, 2010, a claim construction hearing was held. Defendant moved for partial summary judgment of invalidity, which the Court denied. On December 17, 2010, Plaintiffs filed a second amended complaint in which they dropped their infringement contentions with regard to the '611 patent and the '404 patent. On January 18, 2011, Defendant moved to stay these proceedings. Plaintiffs oppose the motion.

II. Reexamination

In its motion to stay, Defendant contends that the '822 patent and the '763 patent are pending inter partes reexamination by the U.S. Patent and Trademark Office ("PTO"). On September 28, 2009, Verizon, a defendant in another case pending in this district requested reexamination of the '822 patent. The PTO granted the request and on March 16, 2010, rejected Claims 10-14, 22, 24-27, 32, and 34-37. On December 14, 2010, Verizon requested reexamination of the '763 patent, alleging that all of the claims asserted against Defendant herein are invalid. In its most recent motion to file a supplemental reply, Defendant informs the Court that on March 3, 2011, the PTO granted Verizon's December 14, 2010 request and has ordered a inter partes reexamination "of every one of the 10 claims of the '763 patent that are asserted against T-Mobile (claims 1, 4, 23-28, 31, and 32)."

III. Law and Analysis

The Court's authority to order a stay of proceedings pending the outcome of a reexamination of patents-in-suit by the PTO is part of the Court's inherent power to manage its docket. *Gould v. Control Laser Corp.*, 705 F.2d 1340, 1342 (Fed. Cir. 1983);

Landis v. North American Co., 299 U.S. 248, (1936). In determining whether to grant such a stay, courts commonly consider three factors: “(1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving part; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and whether a trial date has been set.” (Citations omitted.) *Xerox Corp. v. 3Com Corp.*, 69 F.Supp.2d 404, 406 (W.D.N.Y. 1999).

Prejudice to Plaintiffs

In response to Defendant’s motion to stay, Plaintiffs contend they will suffer substantial prejudice because they have already devoted thousands of hours of legal work to this suit and incurred thousands of dollars in case related expenses. Essentially, Plaintiffs contend Defendant should have filed its own request for reexamination rather than file this motion to stay after Verizon, a defendant in another suit, requested reexamination. Plaintiffs further argue that there may be a multi-year delay and that key Plaintiffs’ witnesses are elderly and/or have poor health, therefore possibly precluding them from being available when litigation resumes.

This Court concludes that the stay in the instant matter does not appear to be a tactic to delay the proceedings. The Court notes that the outcome of the reexamination, recently ordered by the PTO of the ‘763 patent will most likely affect the scope of this case. The Court takes judicial notice of the statistic from the PTO’s Quarterly Report that only 11% of inter partes reexamination result in confirmation of all of the claims presented. Therefore, it is highly likely that the issues in the present case will be affected by the outcome of the ‘763 reexamination. A stay pending these proceedings would allow the parties to preserve their resources by simplifying the issues in question.

With regard to the age and health of Plaintiffs' key witnesses, Defendant notes that it has already taken the deposition of Mr. Dennison and has scheduled the depositions of Mr. Gerstein and Mr. Williamson. To the extent that their motion is granted before taking the depositions of these key witnesses, Defendant requests this Court to permit those depositions to go forward regardless of the stay. As this route will eliminate the risk of this testimony being lost due to the lapse of time during the stay, this request is granted.

Accordingly, the Court concludes that any potential prejudice to Plaintiffs does not weigh against a stay in this case.

Simplification of Issues in Question

"When a claim is cancelled as a result of reexamination, there is no need to try the issue, thus simplifying litigation. When claims survive reexamination, the expert view of the PTO can assist the court in determining patent validity, thus simplifying trial." (Citations omitted.) *01 Communique Laboratory, Inc. v. Citrix Systems, Inc.*, No. 06CV0253, 2008 WL 696888, at *2 (N.D. Ohio 2008). The Sixth Circuit has noted that "[s]tatistically speaking, there is a very small chance that all of the claims will survive reexamination without amendment." *Id.* Accordingly, there is a substantial likelihood that the issues in question will be simplified.

Stage of Litigation

Plaintiffs note that Defendants' motion came just ten days before the close of fact discovery. However, on February 4, 2011, this Court granted the parties' joint motion to amend the case plan, allowing them additional time to complete depositions and to file final unenforceability contentions. Notably, on February 28, 2011, Plaintiffs filed a

consent motion for an extension of the completion of discovery. Expert discovery is not scheduled to be completed until at least June 3, 2011 with dispositive motions not due until June 30, 2011. Finally, a trial has yet to be scheduled in this matter. Therefore, there remain several costly stages of this litigation that may be eliminated or reduced depending upon the result of the reexamination of the patents-in-suit. Accordingly, the phase of this litigation, while not in its earliest stages, does not warrant denial of the motion to stay.

IV. Conclusion

For the foregoing reasons, the Court finds that a stay of proceedings is appropriate pending the conclusion of the reexamination of the patents-in-suit. Defendant's motion for leave to file a supplemental reply to Plaintiffs' opposition to its motion is GRANTED. The Court GRANTS Defendant's motion to stay the proceedings. Further, the Court GRANTS Defendant's request that the parties be permitted to take the depositions of Everett Dennison, Warren Williamson III, and Terry M. Gerstein, despite the stay. The parties shall take these depositions at their earliest convenience.

The instant matter is hereby PERPETUALLY STAYED and the within case is hereby CLOSED subject to notification by the Defendant of the conclusion of the PTO's reexamination process. Finally, Plaintiffs' consent motion for extension of discovery (Doc. 180), and Defendant's motion for leave to file discovery materials (Doc. 176) are DENIED AS MOOT.

IT IS SO ORDERED.

Dated: March 8, 2011

/s/ John R. Adams
UNITED STATES DISTRICT JUDGE

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

2008 MAR 31 PM 3:46

CLERK OF COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

4:08 CV 00817

EMSAT ADVANCED GEO-LOCATION
TECHNOLOGY, LLC

) Case No.

and

) Judge

JUDGE ADAMS

LOCATION BASED SERVICES LLC,

) COMPLAINT FOR PATENT
) INFRINGEMENT

Plaintiffs,

) JURY TRIAL DEMANDED

v.

T-MOBILE USA, INC.,

MAG. JUDGE GALLAS

Defendant.

Plaintiffs EMSAT Advanced Geo-Location Technology, LLC ("Emsat") and Location Based Services LLC ("LBS"), for their Complaint against T-Mobile USA, Inc., allege as follows:

INTRODUCTION

1. This case is based upon the infringement of United States patents that disclose and claim inventions that were created in Youngstown, Ohio by employees of what was then a small regional wireless telephone service provider, named Sygnet Communications, Inc. Until Sygnet was acquired by a larger wireless carrier in 1998, it was headquartered in the Youngstown area and operated under the name Wilcom Cellular.

THE PARTIES

2. Emsat is a limited liability company organized and existing under the laws of the State of Nevada with its principal place of business located at 101 Southbend Court, Loveland, Ohio.

3. LBS is a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business located at 500 Newport Center Drive, Newport Beach, California.

4. On information and belief, T-Mobile is a corporation organized under the laws of the State of Delaware, with its principal place of business at 12920 SE 38th Street, Bellevue, Washington 98006.

JURISDICTION AND VENUE

5. Plaintiffs bring this action for patent infringement under the Patent Laws of the United States, 35 U.S.C. § 101 *et seq.*

6. This Court has subject matter jurisdiction over the claims in this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7. Upon information and belief, this Court has personal jurisdiction over Defendant in that it has committed acts within Ohio and in this judicial district, and other judicial districts throughout the United States, which give rise to this action, and it has established minimum contacts with the forum such that the exercise of jurisdiction over Defendant would not offend traditional notions of fair play and substantial justice.

8. Upon information and belief, Defendant has committed acts within this judicial district giving rise to this action, including making sales, making offers for sale, and providing service and support to its respective customers in this district. Accordingly, venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(c) and 1400(b).

BACKGROUND

9. Upon information and belief, Defendant is in the business of deploying and operating cellular, or “wireless,” telephone networks.

10. In the early 1990’s, the cellular telephone industry was much smaller but was growing into a very large business. Cellular telephone networks had numerous problems including the generation of false roaming charges, where for example a caller subscribing to one network that covered one geographic area (e.g., the Youngstown, Ohio area) would suddenly begin using another network covering a neighboring geographic area (e.g., Western Pennsylvania) even where that caller had never left his/her own network’s geographic area.

11. Several persons working at a small cellular service provider in Youngstown, Ohio named Sygnet Wireless, including Everett Dennison (“Dennison”), invented a solution to this problem. Their solution involved combining certain features of the cellular system with location-finding technology to create a location-aware network that could determine the exact geographic location of the telephone and, in turn, use that information to improve the operation of the cellular telephone network by, for example, avoiding the generation of false roaming charges. Further, in solving this problem, the inventors also realized that their new location-aware network enabled the provision of location-based services, such as location-based emergency 911 calls, for the first time. In such a location-based emergency 911 call, the network could concurrently determine and transmit the location of cellular telephones to nearby emergency call centers, also known as “Public Safety Answering Points” (“PSAP’s”).

12. In 1991, Dennison and his co-inventors filed for the first of several issued patents (the “Dennison Patents”) covering their invention. Plaintiff Emsat is the assignee of the Dennison Patents. Plaintiff LBS is the exclusive licensee of the Dennison Patents, and possesses the exclusive right to sue for past, present, and future infringement of the Dennison Patents.

13. Upon information and belief, some five years after the filing of the first patent application resulting in the Dennison patents, in 1996 the Federal Communications Commission ("FCC") established the Enhanced 911 ("E911") program. Under "Phase 2" of the E911 program, all cellular telephone service providers in the United States must be capable of providing the location of cellular telephones to PSAP's with a specified accuracy for a specified percentage of wireless calls.

14. The methods and systems involved in deploying a mobile E911 system as described above are substantially similar to those required to deploy so-called "commercial" location-based services to cell phone subscribers. In fact, commentators have asserted that the FCC-required development of mobile E911 systems allowed the wireless carriers, such as Defendant, to develop and deploy commercial location-based services. These location-based services permit the cell phone user, often for a fee, to use his or her cell phone as a navigation device, to locate nearby products and services and to find friends, among other things.

15. Upon information and belief, Defendant offers for sale, sells, uses, and/or induces the use, offer for sale, and sales of location-based services and systems for cellular telephones. Upon information and belief, these services and systems infringe the following Dennison Patents: U.S. Patent Nos. 5,946,611 ("the '611 Patent"), 6,324,404 ("the '404 Patent"), 6,847,822 ("the '822 Patent") and 7,289,763 ("the '763 Patent").

COUNT I - INFRINGEMENT OF THE '611 PATENT

16. Plaintiffs incorporate each of the allegations in paragraphs 1 through 15 as if fully set forth herein.

17. Upon information and belief, Defendant has infringed and is continuing to infringe, contribute to the infringement of, and/or induce the infringement of, one or more claims of the '611 Patent, all without the consent or authorization of Plaintiffs. Such infringement

includes Defendant's offer for sale, sale, use, and/or inducement of the use, offer for sale, and sales of mobile E911 services.

18. As a proximate result of Defendant's aforesaid acts and conduct, Plaintiffs have been damaged in an amount to be determined at trial.

19. Plaintiffs are entitled to recover from Defendant damages adequate to compensate for the infringement.

COUNT II - INFRINGEMENT OF THE '404 PATENT

20. Plaintiffs incorporate each of the allegations in paragraphs 1 through 15 as if fully set forth herein.

21. Upon information and belief, Defendant has infringed and is continuing to infringe, contribute to the infringement of, and/or induce the infringement of, one or more claims of the '404 Patent, all without the consent or authorization of Plaintiffs. Such infringement includes Defendant's offer for sale, sale, use, and/or inducement of the use, offer for sale, and sales of mobile E911 services and other location based-services.

22. As a proximate result of Defendant's aforesaid acts and conduct, Plaintiffs have been damaged in an amount to be determined at trial.

23. Plaintiffs are entitled to recover from Defendant damages adequate to compensate for the infringement.

COUNT III - INFRINGEMENT OF THE '822 PATENT

24. Plaintiffs incorporate each of the allegations in paragraphs 1 through 15 as if fully set forth herein.

25. Upon information and belief, Defendant has infringed and is continuing to infringe, contribute to the infringement of, and/or induce the infringement of, one or more claims of the '822 Patent, all without the consent or authorization of Plaintiffs. Such infringement

includes Defendant's offer for sale, sale, use, and/or inducement of the use, offer for sale, and sales of mobile E911 services and other location based-services, including at least the services known by the following names: TeleNav GPS Navigator and MapQuest Navigator.

26. As a proximate result of Defendant's aforesaid acts and conduct, Plaintiffs have been damaged in an amount to be determined at trial.

27. Plaintiffs are entitled to recover from Defendant damages adequate to compensate for the infringement.

COUNT IV - INFRINGEMENT OF THE '763 PATENT

28. Plaintiffs incorporate each of the allegations in paragraphs 1 through 15 as if fully set forth herein.

29. Upon information and belief, Defendant has infringed and is continuing to infringe, contribute to the infringement of, and/or induce the infringement of, one or more claims of the '763 Patent, all without the consent or authorization of Plaintiffs. Such infringement includes Defendant's offer for sale, sale, use, and/or inducement of the use, offer for sale, and sales of mobile E911 services and other location based-services, including at least the services known by the following names: TeleNav GPS Navigator and MapQuest Navigator.

30. As a proximate result of Defendant's aforesaid acts and conduct, Plaintiffs have been damaged in an amount to be determined at trial.

31. Plaintiffs are entitled to recover from Defendant damages adequate to compensate for the infringement.

NOTICE OF PUBLISHED PATENT APPLICATION

32. Plaintiffs incorporate each of the allegations in paragraphs 1 through 15 as if fully set forth herein.

33. U.S. Patent Application Pub. No. US 2008/0014965 A1 ("the '965 Publication") to Dennison et al., entitled *Cellular Telephone System That Uses Position Of A Mobile Unit To Make Call Management Decisions*, was published on January 17, 2008.

34. Upon information and belief, Defendant has infringed and is continuing to infringe, contribute to the infringement of, and/or induce the infringement of, one or more claims of the '965 Publication, all without the consent or authorization of Plaintiffs. Such infringement includes Defendant's offer for sale, sale, use, and/or inducement of the use, offer for sale, and sales of mobile E911 services and other location based-services, including at least the services known by the following names: TeleNav GPS Navigator and MapQuest Navigator.

35. Defendant is hereby provided actual notice of the '965 Publication and Plaintiffs' provisional rights to a reasonable royalty from Defendant for the period of infringement beginning on the date of publication of the application for such patent and ending on the date the patent issues.

36. Once the '965 Publication issues as a patent Plaintiffs will amend their pleadings to allege infringement of such patent and seek damages adequate to compensate for the ongoing infringement and a reasonable royalty for the period of infringement prior to when such patent issued.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray that this Court enter judgment in their favor against Defendant and grant the following relief:

A. Adjudge and decree that Defendant has infringed and is currently infringing, inducing others to infringe, and committing acts of contributory infringement, with respect to the '611, '404, '822, and '763 Patents;

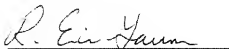
B. Grant Plaintiffs compensatory damages in an amount to be determined at trial, including both pre-judgment and post-judgment interest; and

C. Award Plaintiffs such other and further relief as the Court may deem just and proper.

DEMAND FOR A JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiffs request a trial by jury of all issues so triable in this action.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "R. Eric Gaum", is written over a horizontal line.

Michael J. Garvin (0025394)

R. Eric Gaum (0066573)

Robert J. Diaz (0077232)

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